



Review of February 2014 Event / SoCalGas Infrastructure

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Southern
California
Gas Company



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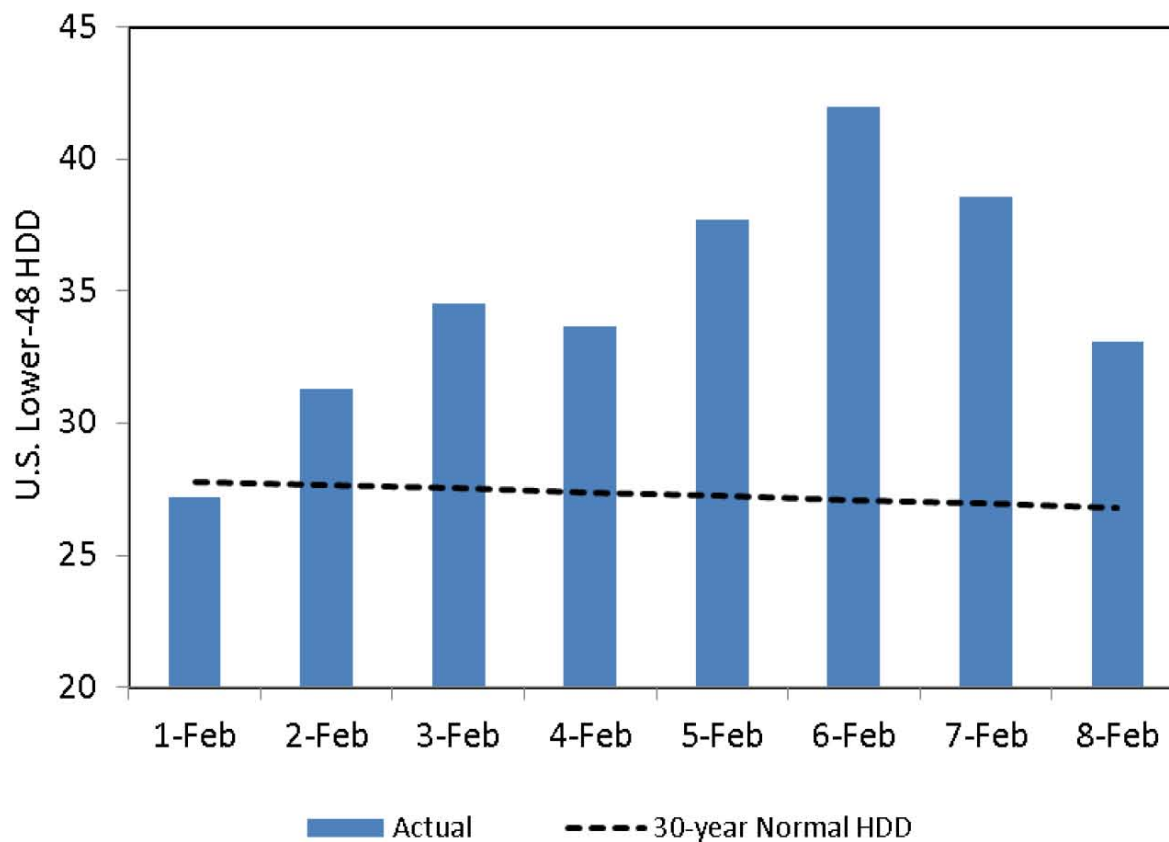
Glad to be of service.®

4/16/14

Summary Of Early February 2014 Event

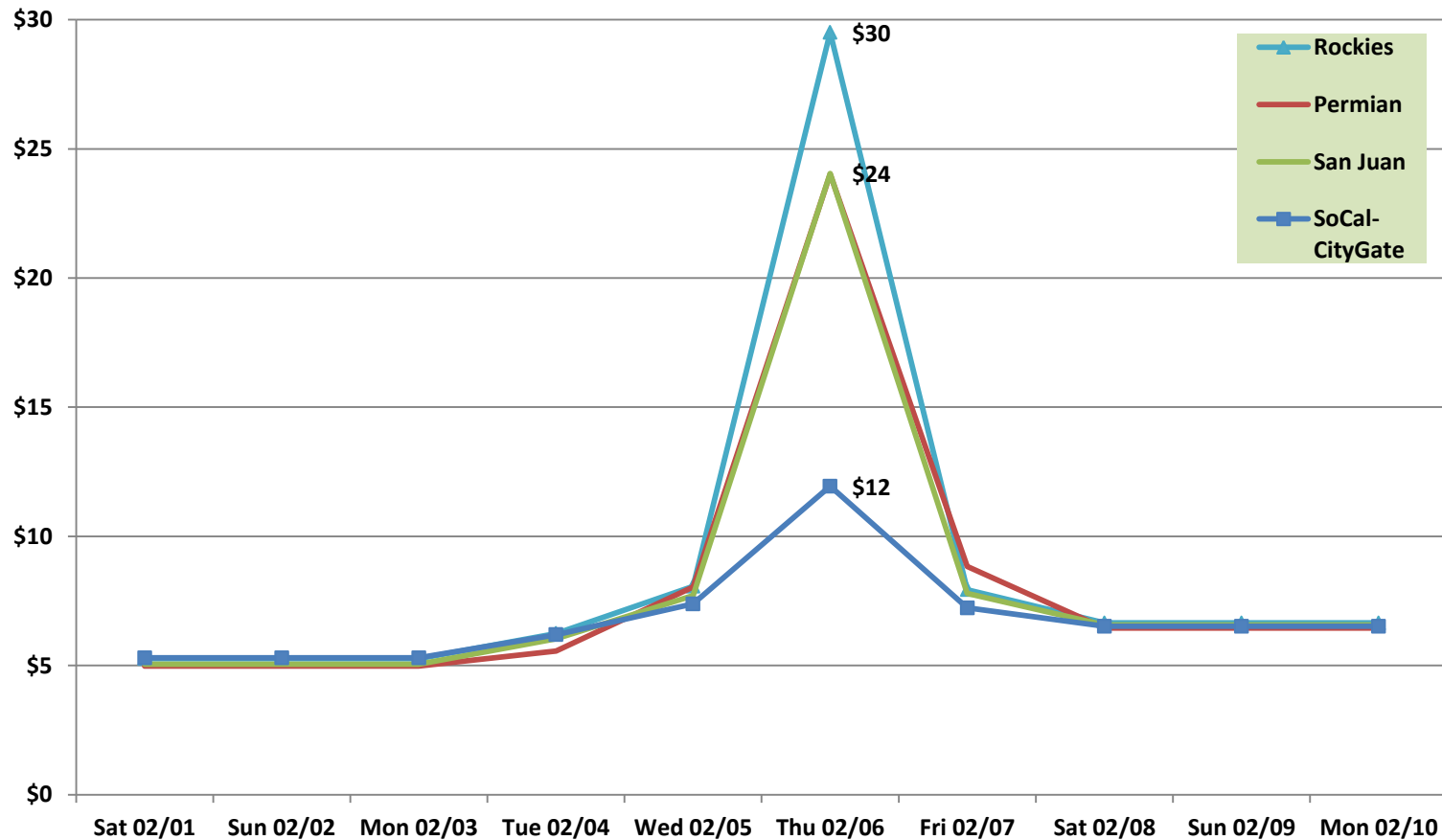
- » Average temperatures outside the West fell considerably below normal
- » Gas flowed to higher priced markets outside California
- » Declining out of state receipts sharply increased California's reliance on storage
- » System Operator communicates regularly with CAISO
- » SoCalGas/SDG&E called for standby curtailment and end use curtailments on February 6, 2014

Nationally, from February 1st to the 6th Heating Degree Days rose rapidly

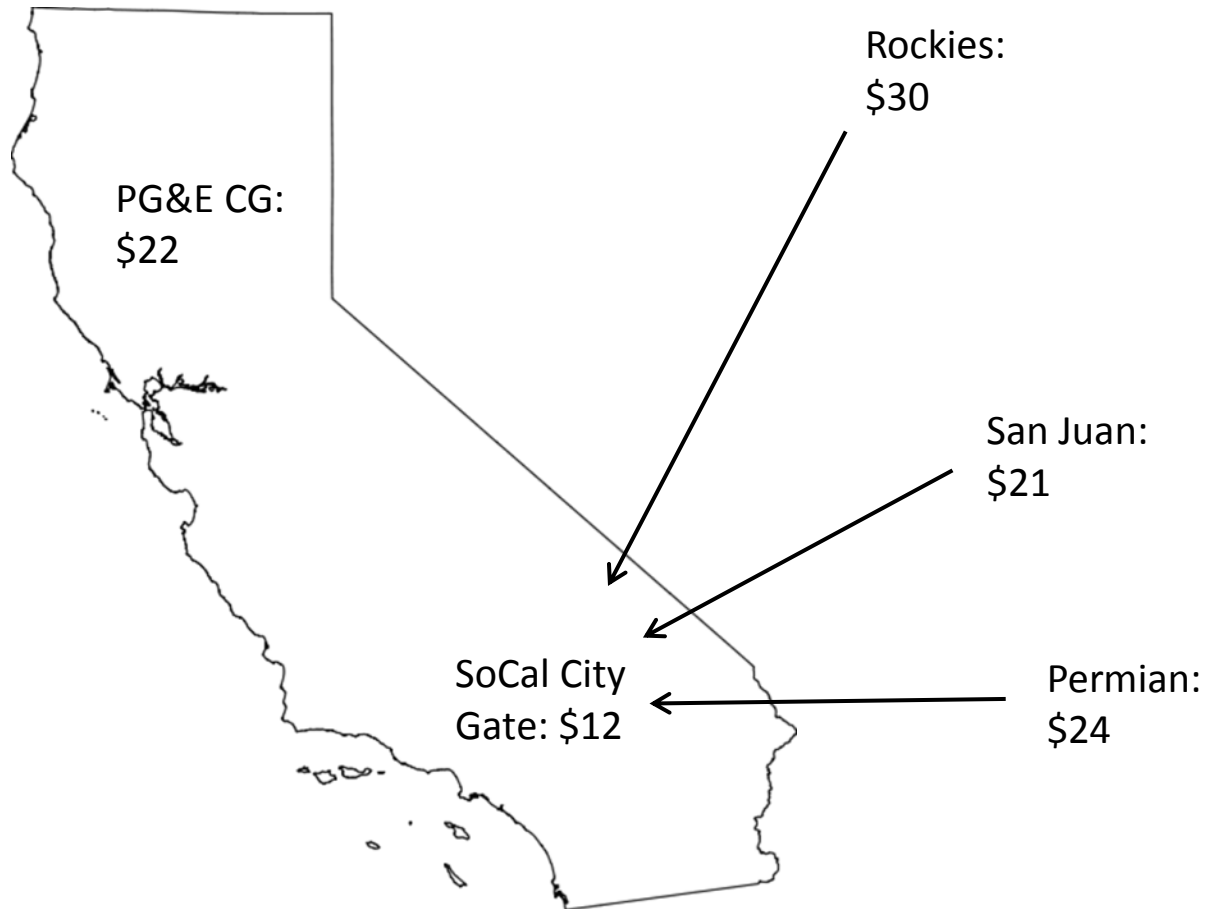


Source: Thomson Reuters

By Feb 5th, Marketers had already begun diverting Supplies to Higher-Valued Markets East of California

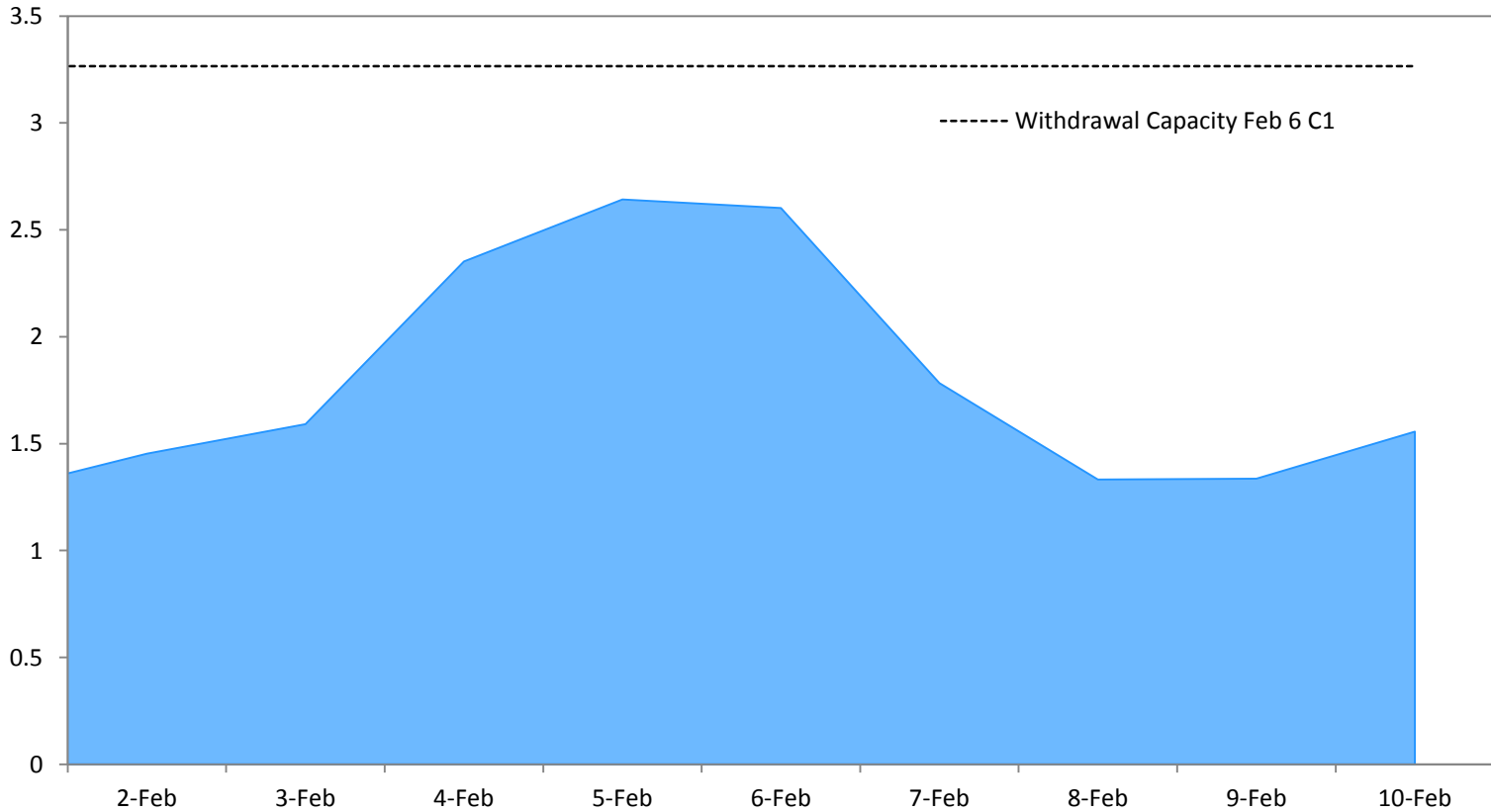


Feb 6 Gas Prices



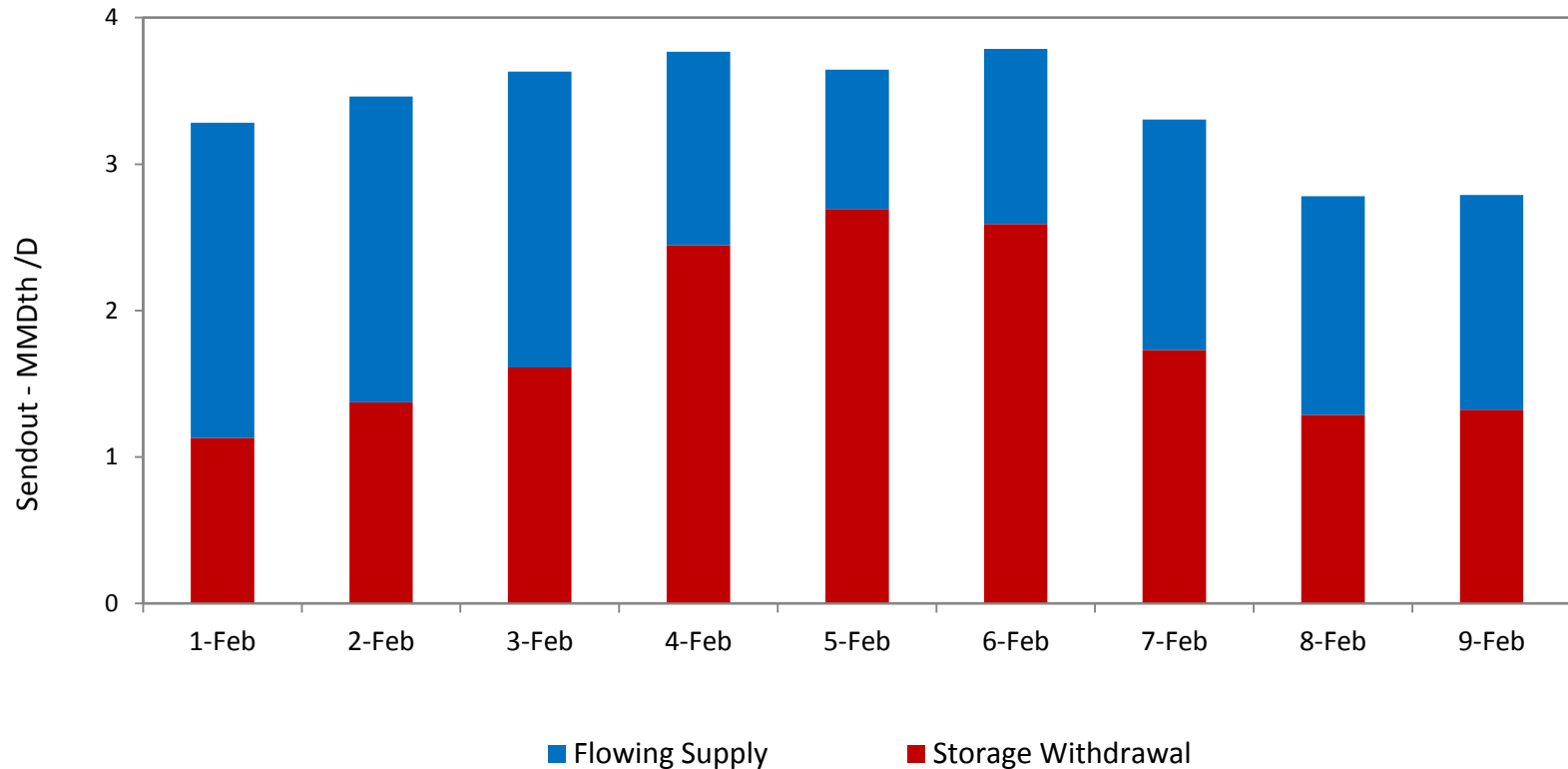
Storage withdrawal capacity taxed

WITHDRAWALS FROM SOCAL STORAGE (MMDth)



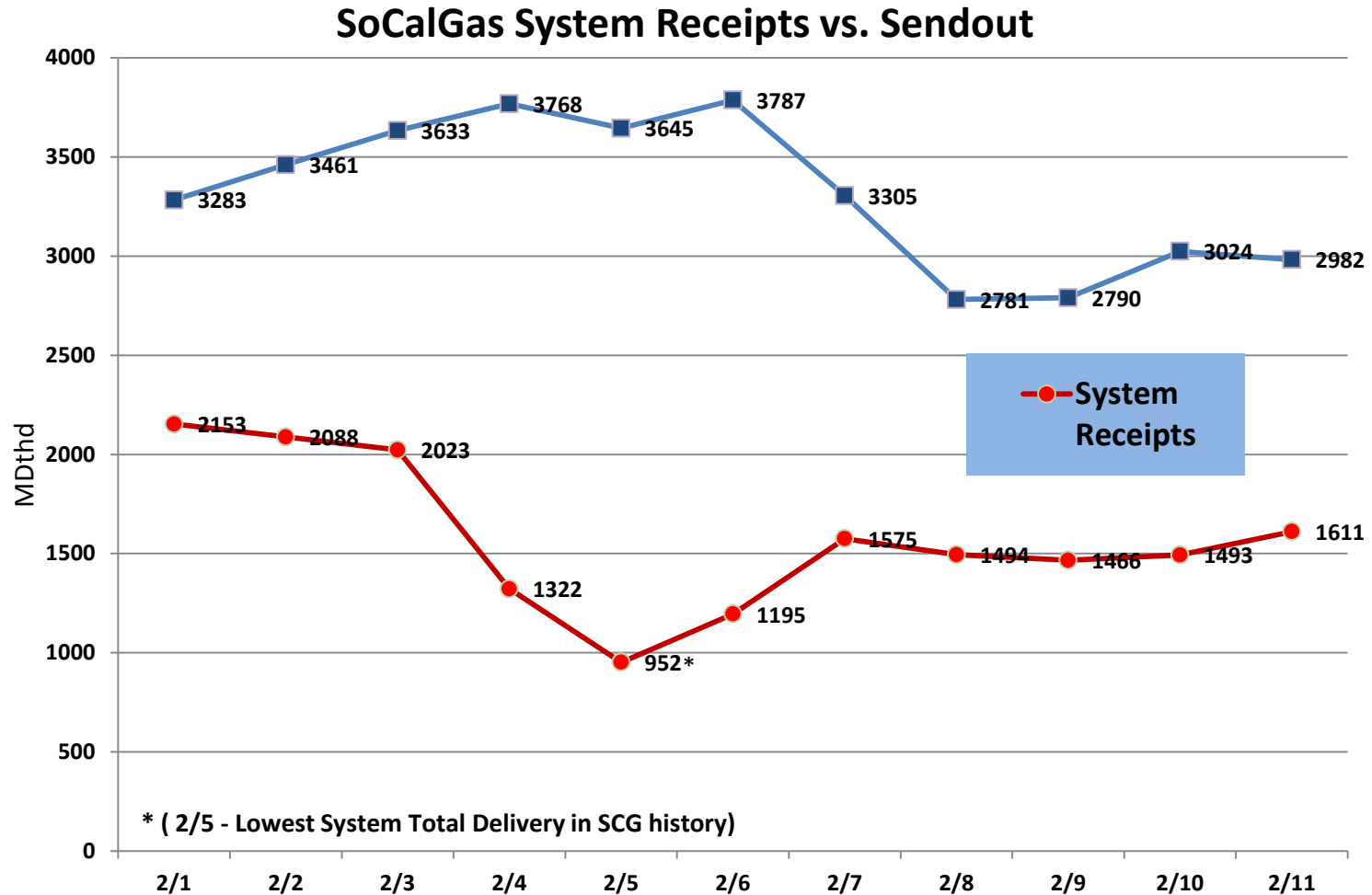
Source: Envoy Daily Operations

Withdrawal peaked at 73% of send out

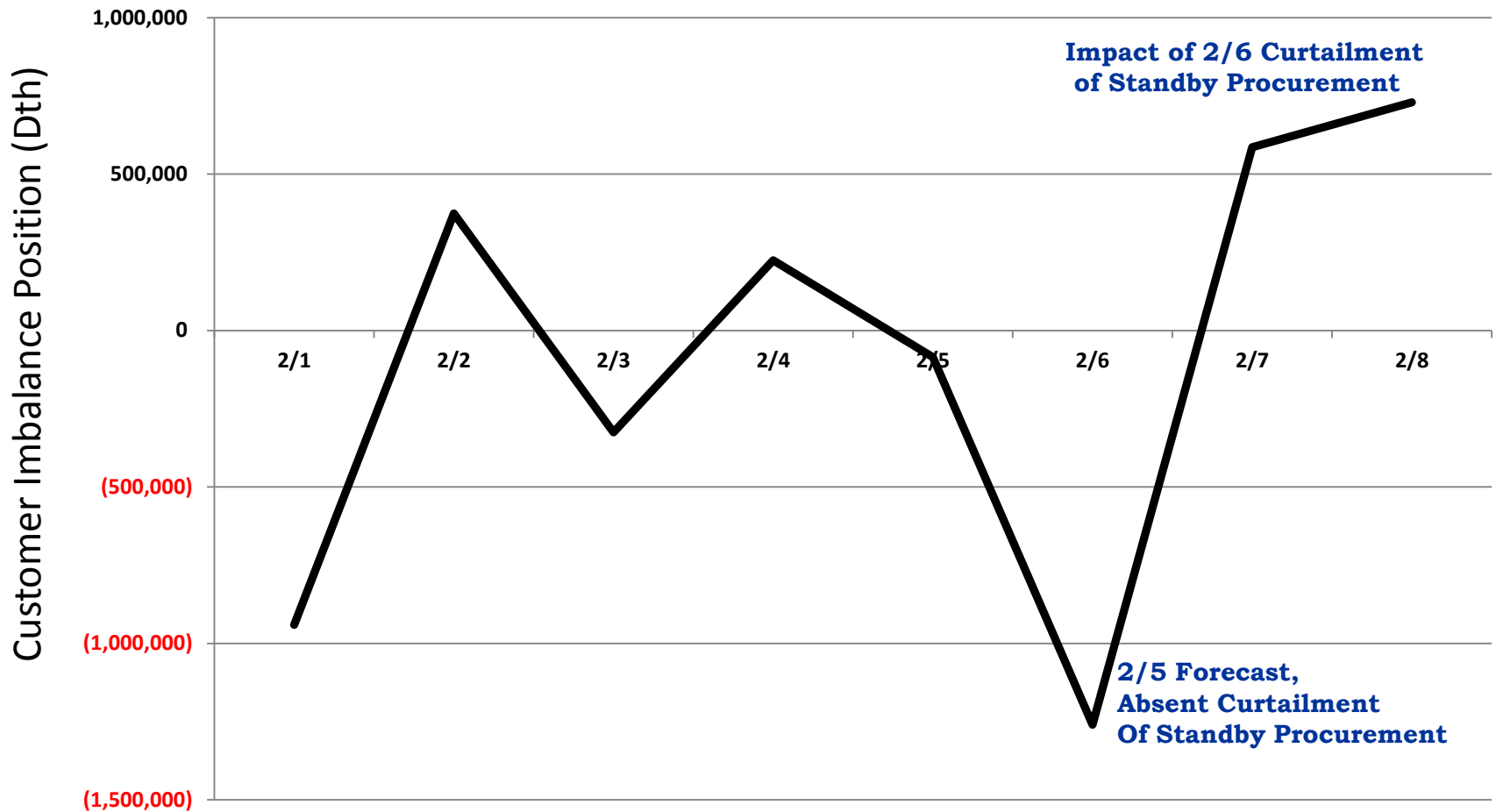


Source: ENVOY Daily Operations

Elimination of Standby Procurement Service was Required to Increase Receipts



Impact of Early February Customer Balancing Activity on SoCal Gas Storage (Dth)



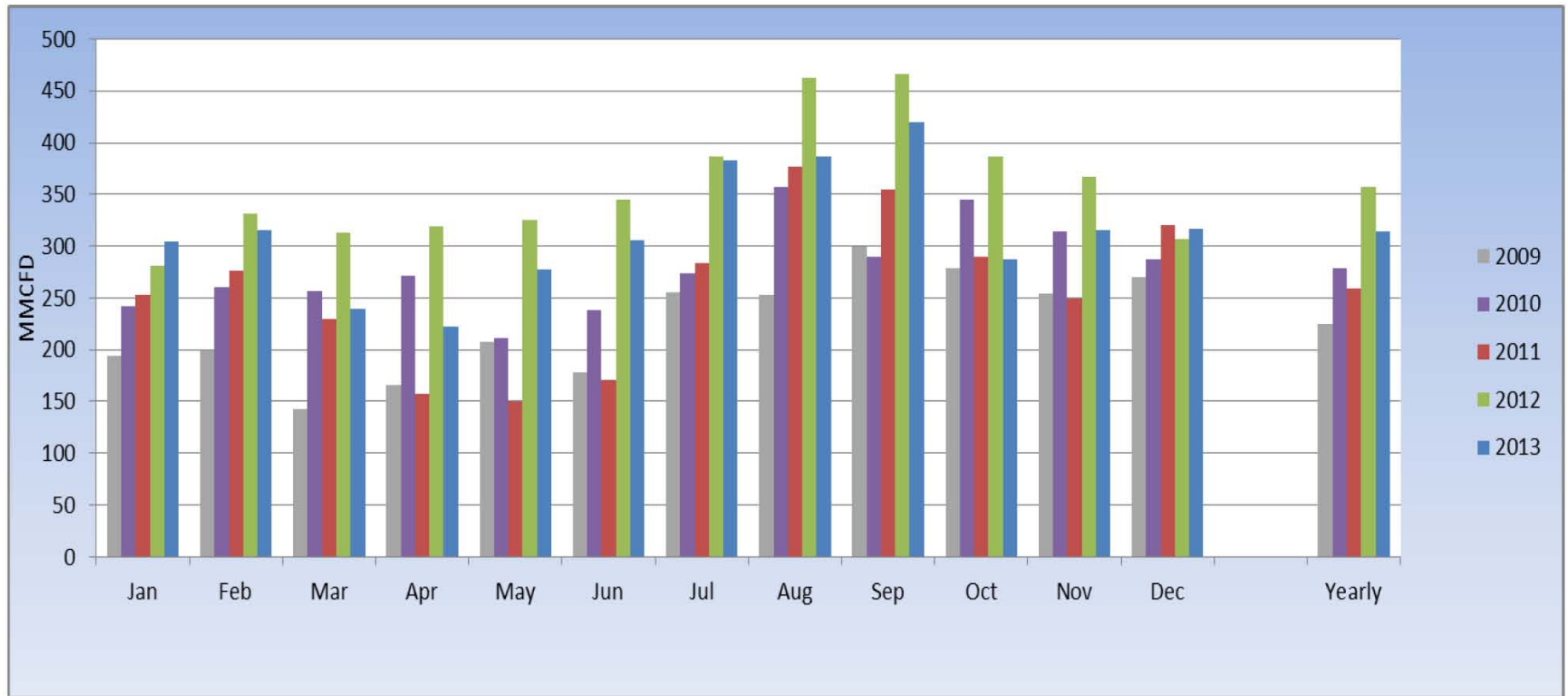
Improvements

- » Changes are needed to allow SoCalGas/SDG&E to handle low supplies – low OFO rather than standby curtailment
- » SoCalGas is investigating possible changes to curtailment rules
- » SoCalGas will continue its close communications with grid operators and electric generators to minimize possibility of disruptions to natural gas or electric grid

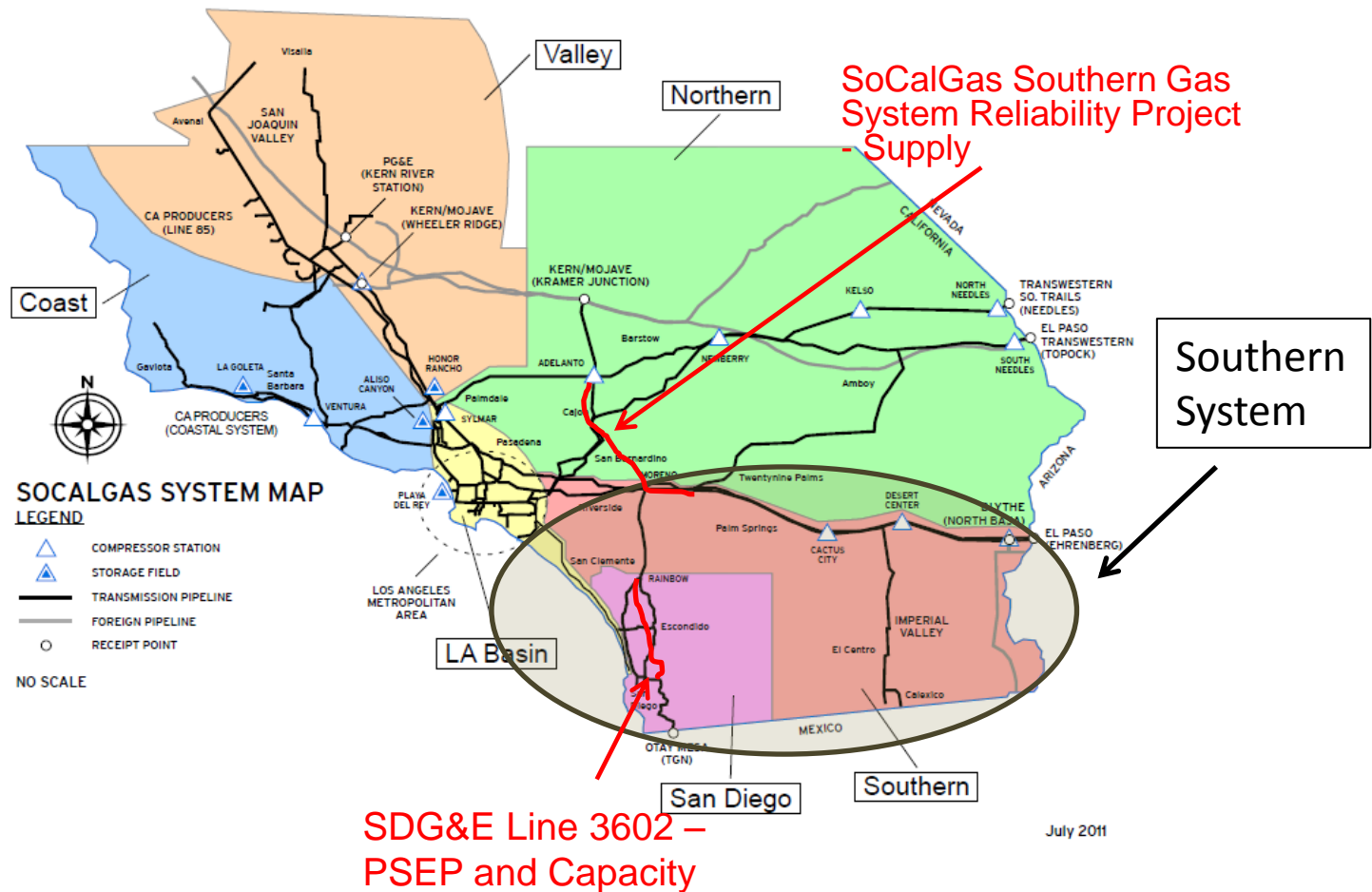
Impact of SONGS outage on SoCalGas / SDG&E system

SoCalGas/SDG&E

Southern System EG Daily Average

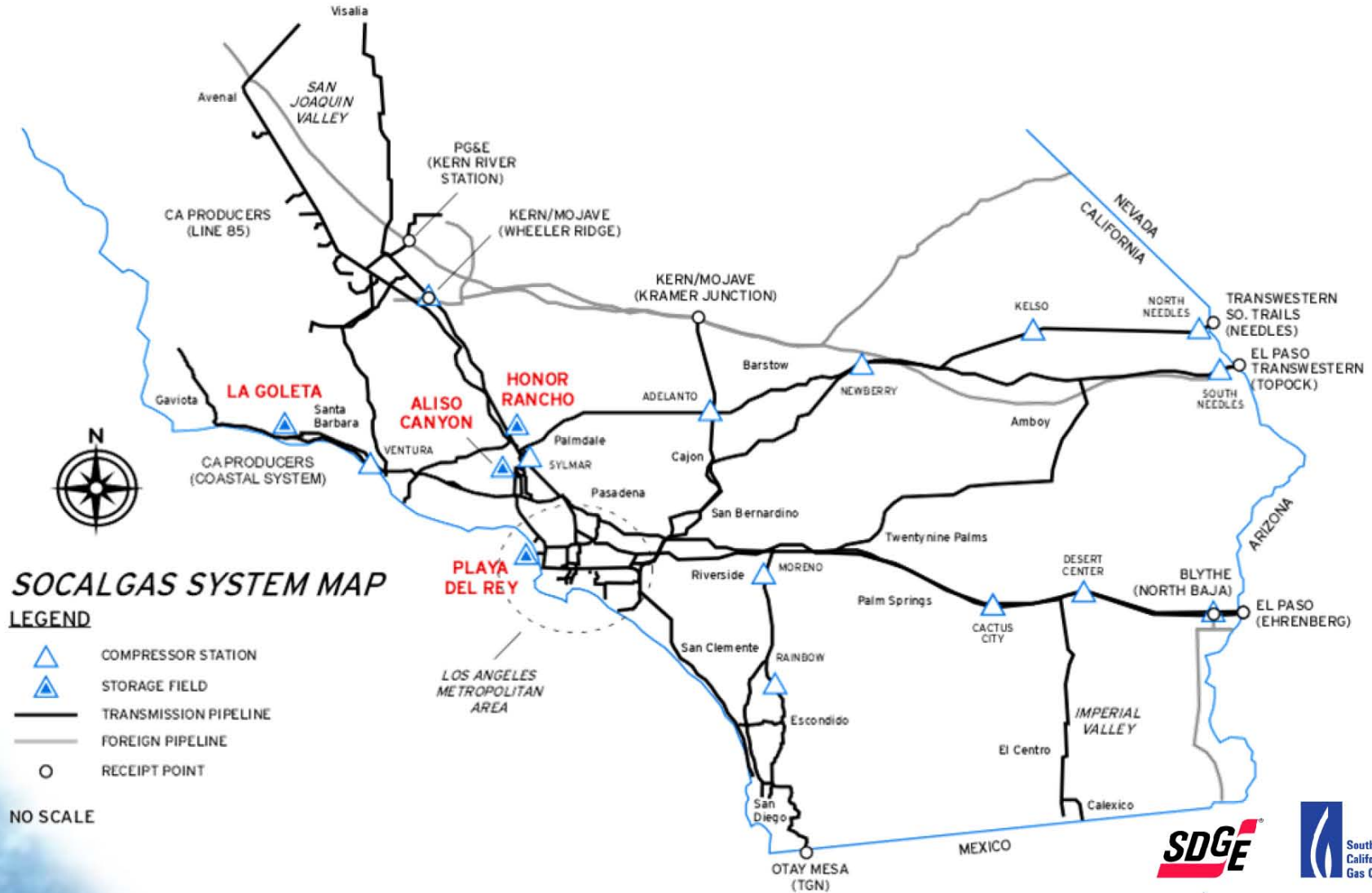


Two proposed pipeline projects



Appendix

SoCalGas/SDG&E Gas Transmission System



The SDG&E Gas Transmission System

